

PEERS Benefit Check
PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

Retired Members | DECEMBER 2025

Coming in January: 2% COLA
for Eligible Benefit Recipients

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Coming in January: 2% COLA for Eligible Benefit Recipients

The PSRS/PEERS Board of Trustees has approved a 2% cost-of-living adjustment (COLA) for eligible benefit recipients, effective January 1, 2026. The increase will first appear on January 31, 2026, benefit payments.

“This is the sixth year in a row that we have provided a COLA to our retired members,” said Beth Knes, PSRS/PEERS Board Chair. “The Board remains committed to helping our members preserve their financial security in retirement.”

How the COLA Is Set

The COLA is based on the Consumer Price Index for Urban Consumers (CPI-U). Between June 2024 and June 2025, the CPI-U rose 2.67%. According to Board policy, if CPI-U increases between 2% and 5%, a 2% COLA is granted.

COLAs are compounded: Each year’s increase builds on previous increases. That means to calculate your 2026 COLA, take your current benefit — not your original benefit — and multiply it by 2%.

PSRS/PEERS COLAs at a Glance	
2026	2%
2025	2%
2024	2%
2023	5%
2022	5%
2021	2%

Contribution Rates Will Stay the Same for 2026-2027

The contribution rate for active PEERS members will remain unchanged for the 2026-2027 school year (July 1, 2026, through June 30, 2027).

2026-2027 PEERS Contribution Rates		
Member Rate	Employer Rate	Combined Rate
6.86%	6.86%	13.72%

This decision is based on a recommendation from PwC US, the System’s actuary, and reflects our ongoing commitment to stability.

“Maintaining stable contribution rates allows families and school districts to plan their budgets with confidence and avoid unexpected changes,” said PSRS/PEERS Executive Director Dearth Snider. “Thanks to the expertise and disciplined approach of our Board of Trustees, combined with our investment team, we have continued to uphold this stability — ensuring we can meet the long-term promises we’ve made to our members.”

Solid Investment Returns in 2025

The U.S. stock market delivered strong returns in the first three quarters of 2025, continuing the bull market that began in October 2022. Since then, U.S. stocks (as measured by the S&P 500 Index) have surged nearly 90%, including strong performance in 2025. U.S. stocks have returned 14.8% for the year through September 30, 2025, while non-U.S. developed stocks (as measured by the MSCI EAFE Index) performed even better, rising 25.1%.

Inflation ticked up slightly over the summer to an annualized rate of 2.9%. Although this is well below the 2022 peak, it remains above the Federal Reserve's 2% target. Despite sticky inflation, record stock prices, and solid economic growth, the Federal Reserve lowered short-term rates in September and October, primarily due to signs of a weakening labor market.

As we conclude 2025, market volatility may increase. The Federal Reserve is considering additional interest rate cuts, and investors face mixed economic signals, geopolitical uncertainty, high stock valuations, and questions about the long-term impact of the artificial intelligence (AI) boom.

AI's Growing Influence

AI is transforming industries and reshaping the global economy. As we go through this technological revolution, it's important to weigh the benefits of AI against its potential risks. As a large institutional investor, PSRS/PEERS has significant exposure to AI-related investments, which have driven much of the market's recent growth. Since the launch of ChatGPT in November 2022, AI-related stocks have contributed:

- 75% of S&P 500 (broad U.S. equity) returns
- 80% of earnings growth
- 90% of capital spending growth

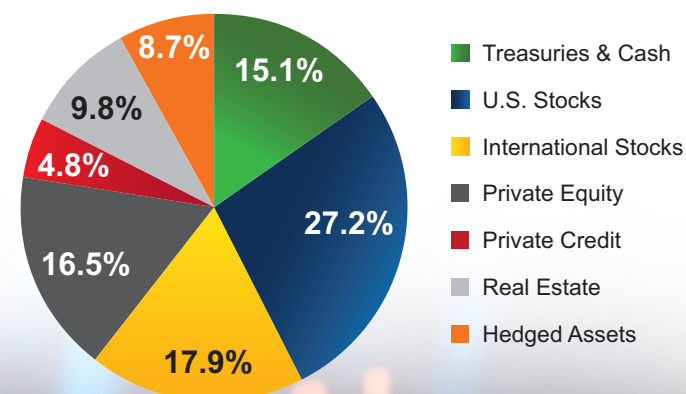
PSRS/PEERS has benefited from owning these stocks. In addition, our private equity partners invested early in AI technology companies, and our real estate managers have long held data centers, which are key to AI infrastructure.

A Balanced, Diversified Approach

Our asset allocation is designed to balance growth and protection. We invest in return-seeking assets like public stocks and private equity, many of which benefit from AI. However, many AI-related stocks are now trading at lofty valuations, even as their revenue growth slows and competition intensifies. These conditions could lead to greater market volatility. To manage that risk, we maintain a strong allocation to more defensive investments — such as Treasury securities, cash, and hedged assets — that can provide stability during market pullbacks.

We continue to believe a structured, well-diversified portfolio remains the most prudent approach. It allows us to participate in market gains while maintaining a solid foundation to protect against potential losses.

PSRS/PEERS Asset Allocation as of September 30, 2025



Long-Term Focus

Our long-term goal is to deliver consistent, meaningful investment returns to support member retirement benefits. As a large institutional investor with a long-term investment horizon of 30 years, we are well-positioned to navigate changing markets.

The table below shows the investment returns for major asset classes in the PSRS/PEERS portfolio over the 10 years that ended September 30, 2025. These long-term results reflect:

- Strong performance from public and private equity
- Modest returns and diversification benefits from bonds and hedged assets

10-Year PSRS/PEERS Investment Returns (by Asset Class)

Treasuries and Cash	1.2%
U.S. Stocks	13.5%
Hedged Assets	6.7%
Private Equity	15.0%
Real Estate	6.5%

Our long-term investment goal (actuarial assumption) is an average annual return of 7.3%. While we do not expect to meet that target every year, we aim to meet or exceed it over long periods of time. In the first nine months of 2025, our investment return is approximately 10.8%. More importantly, over the past 10 years, our total plan return of 9.3% has exceeded both our 7.3% goal and our policy benchmark return¹ of 8.6%.

10-Year Investment Results Period Ending September 30, 2025

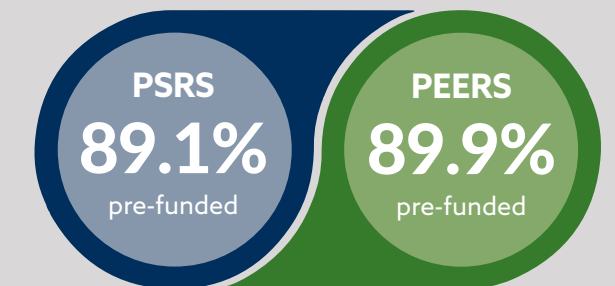
PSRS/PEERS Investment Return	9.3%
PSRS/PEERS Actuarial Assumption	7.3%
Benchmark Return ¹	8.6%

For the latest PSRS/PEERS investment news, visit www.psrs-peers.org.

At a Glance: Funding Update

Pre-funded Status

As of June 30, 2025, PSRS was 89.1% pre-funded and PEERS was 89.9% pre-funded. In the pension industry, this level of pre-funding qualifies both Systems as “healthy.”



The PSRS/PEERS Dollar

Every benefit dollar we pay comes from a long-term funding strategy. While you and your employer contribute steadily, it's our investment earnings that will provide most of your future benefit. Currently, investment earnings deliver \$0.63 of every benefit dollar.

25-Year-Average



Note: The 19¢ includes member contributions and service purchases.

Market Value

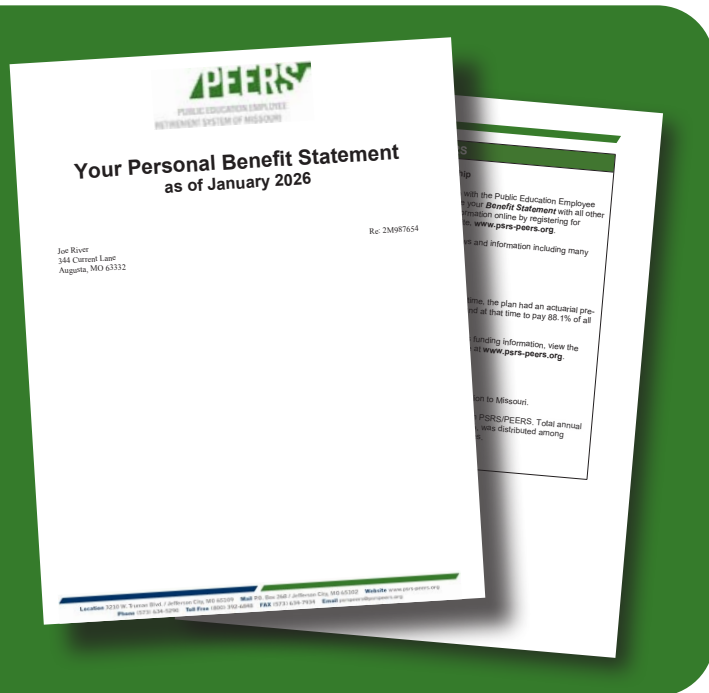
As of September 30, 2025, the combined market value of PSRS and PEERS investments was approximately \$64.4 billion. This makes us larger than all other public retirement plans in Missouri combined and the 44th largest defined benefit plan in the United States.

¹ The plan policy benchmark is a standard to measure investment performance and indicates the return of the PSRS/PEERS asset allocation if passive market rates of return were achieved.

How to Review Your 2026 **Benefit Statement**



Your 2026 **Benefit Statement** will be available in **Web Member Services** in late January. This personalized document gives you a clear picture of your retirement benefits and helps ensure everything is accurate and up to date.



What's in Your 2026 Statement?

Your statement includes important details such as:

- Your monthly benefit amount
- Tax withholding and deductions
- Cost-of-living adjustment (COLA) information
- Direct deposit details
- Beneficiary information on file

Why It's Worth Reviewing

It's important to stay informed in retirement. Reviewing your statement each year helps you:

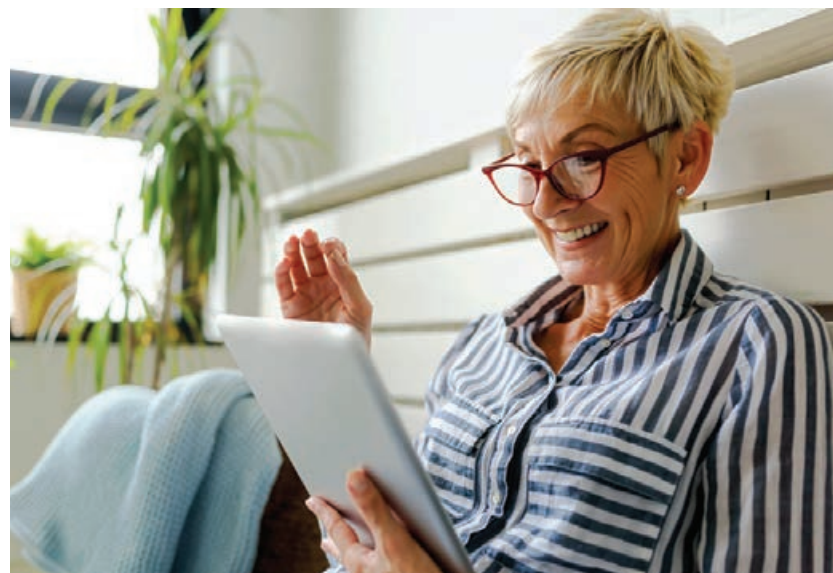
- Confirm your benefit payment details
- Review your tax withholding elections
- Ensure your beneficiary information is current
- Catch any discrepancies early

Need to Make Updates?

You can update your contact information, tax withholding, or beneficiary designations anytime on Web Member Services.

Tax Time Tip: Access 1099 Early on WMS

Your **IRS Form 1099-R** will be mailed by January 31, 2026. This form shows your total 2025 benefit payments, taxes withheld, and the taxable portion of your income. If you have registered for Web Member Services, you can access the form online before it arrives in the mail.

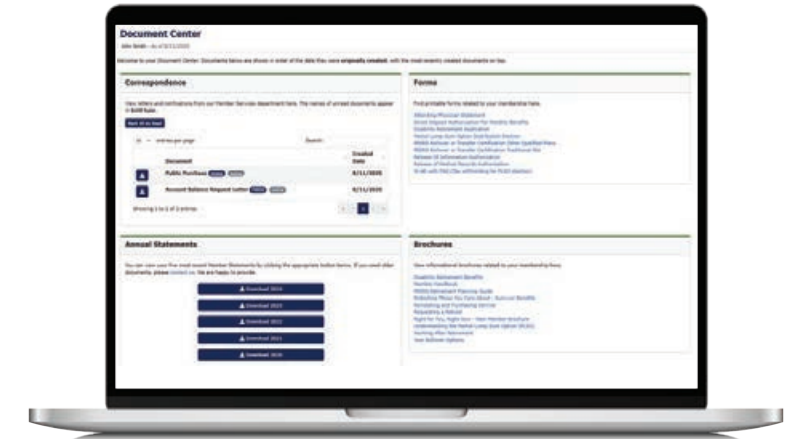


Your Documents, Delivered Digitally

We're going (mostly) paperless! To provide faster and more secure service, we're switching to mostly digital communication.

How It Works

- You'll get an email when a new document is ready.
- The email will include a link to your secure Document Center in Web Member Services.
- If you haven't registered for Web Member Services, your first step will be to register.
- You can download and print any digital document if you prefer a hard copy.



Is Your Email Up to Date?

Log in to Web Member Services to make sure: **wms.psrs-peers.org**



Tip: Use a personal email so you don't miss updates if you retire or change jobs.



Subscribe to Our Podcast Today



We're bringing retirement education straight to you with our new **Benefit Connection** podcast!

Tune in for episodes on working after retirement, cost-of-living adjustments, PSRS/PEERS updates, keeping connected, and more.

Whether you're driving, walking, or winding down, these short, clear episodes help you make the most of retirement.



Subscribe today at **www.psrs-peers.org/benefit-connection**.

By the Numbers

2024-2025 School Year Service Retirements (as of June 30, 2025)

63.1

Average Age at Retirement

16.4

Average Years of Service

\$1,044

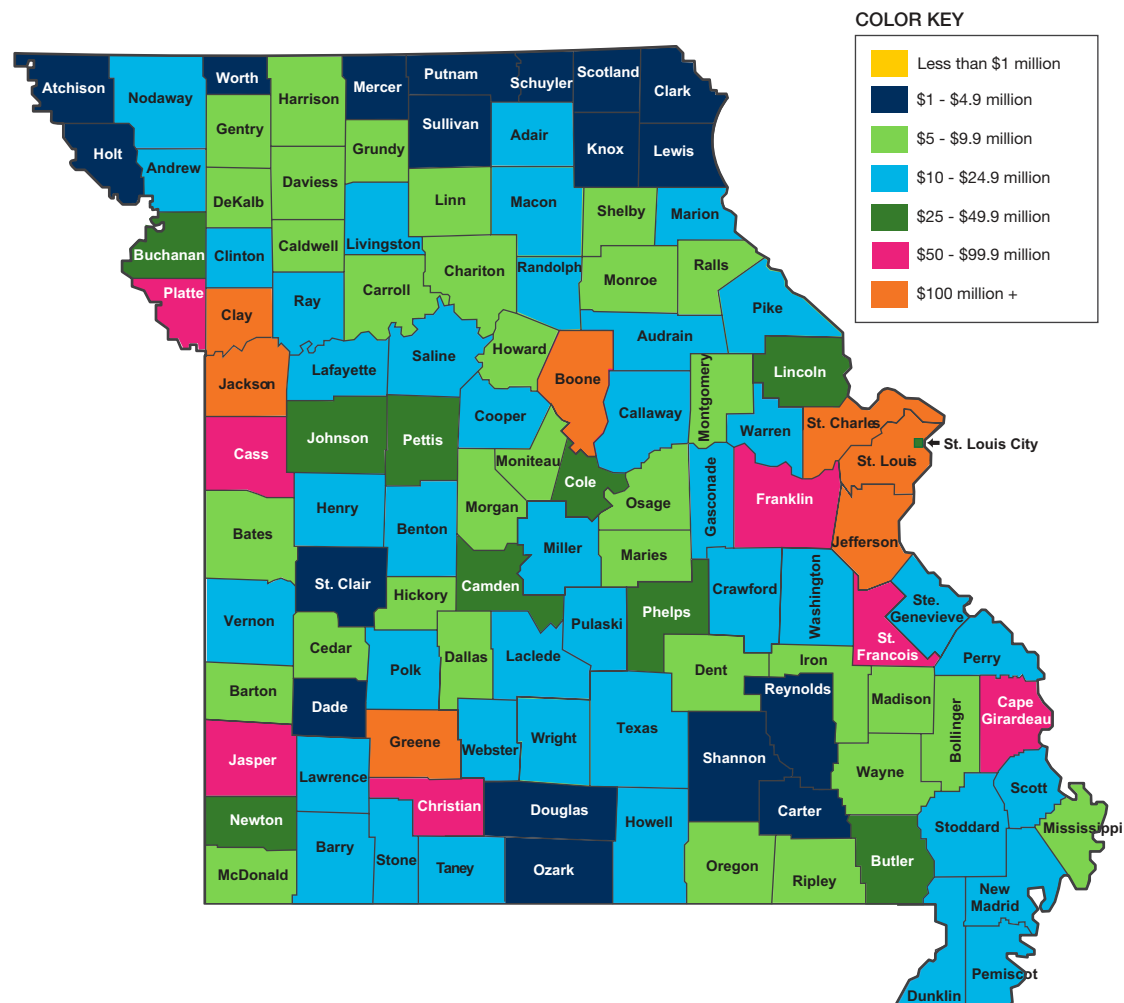
Average Single Life Monthly Benefit

2,196

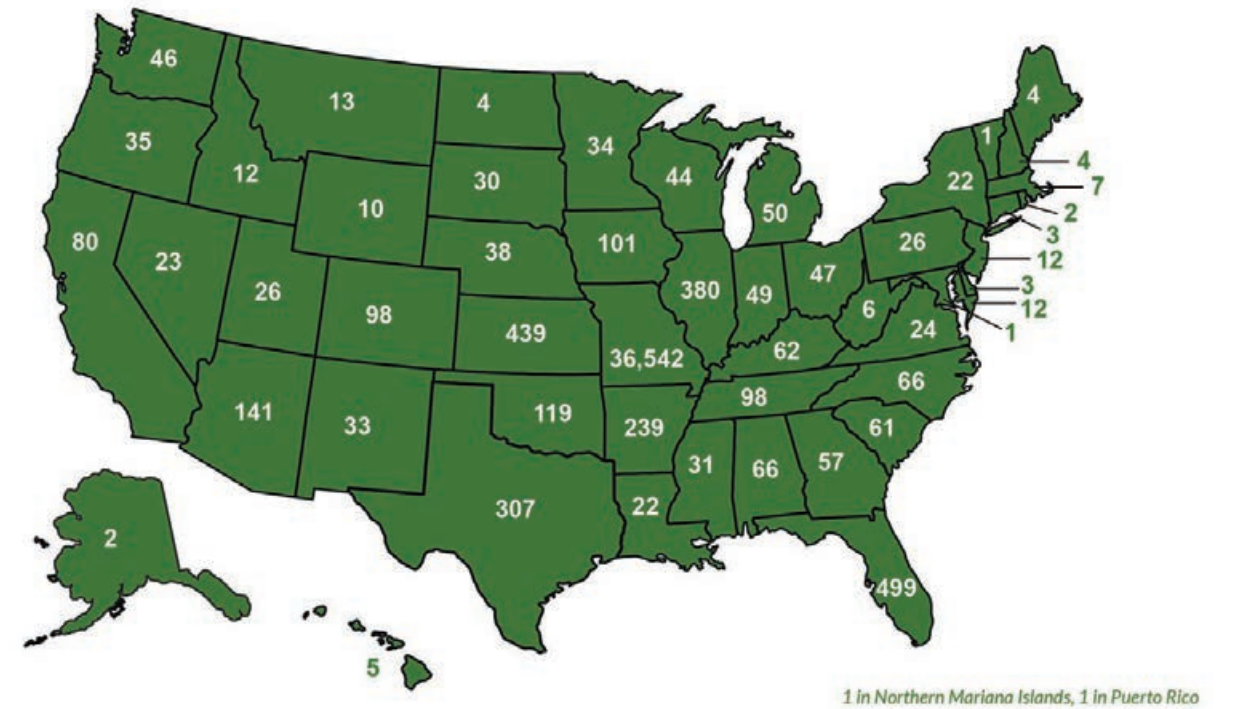
New PEERS Retirees in 2024-2025

PSRS/PEERS Benefits by County

As of June 30, 2025, approximately 113,000 individuals received benefits from PSRS/PEERS. Total annual benefits paid were nearly \$4 billion. Of this amount, over \$3.5 billion, or 88%, was distributed among Missouri's 114 counties, positively impacting the state's economy.



PEERS Retirees Living in the United States



Watch Out for Financial Advice Scams

Even after retirement, you may receive emails, phone calls, or messages from individuals offering financial advice or services. Some of these messages may even falsely claim to be from PEERS. Please be cautious! These offers can be misleading or, worse, attempts to steal your personal information.

Here's what to keep in mind:

- **PEERS will never charge you for assistance.** Our retirement experts are here to help with your benefits, free of charge.
- **We do not work with outside advisors.** Do not trust anyone claiming to represent PEERS who is not a PEERS staff member.
- **We will never ask for your spouse's financial or investment details.** Be wary of anyone requesting this type of information.
- **Pause before responding to emails and texts.** Scammers can make messages look official. If something feels off, contact us directly.

We're here to support you. Please reach out to us first with any questions or concerns. Call us at (800) 392-6848, or email us at psrspeers@psrspeers.org.

2 Trustees Seek Reelection in April

Two current members of the PSRS/PEERS Board of Trustees — Allie Gassman and Amanda Perschall — are seeking reelection in April 2026. Their current terms end June 30, 2026. The new terms will run from July 1, 2026, through June 30, 2030.



Allie Gassman



Amanda Perschall

Gassman's current seat must be filled by an active PEERS member, and Perschall's current seat must be filled by an active PSRS member.

Anyone interested in running may request petition forms from PSRS/PEERS starting Monday, January 5, 2026. Completed petitions must be postmarked by Wednesday, February 18, 2026.

To qualify, petitions must include:

- At least 200 member signatures from each of any four Missouri Congressional districts, and
- A total of at least 1,000 signatures.

All active and retired PSRS/PEERS members may sign petitions and vote in the election.

A committee made up of representatives from Missouri educational associations will review and certify the petitions the week of March 2, 2026.

If no other candidates submit certified petitions, then Gassman and Perschall will retain their seats without a vote.

If an election is required:

- Ballots will be sent to all members on Thursday, April 23, 2026.
- Candidate statements will be included with the ballots.
- Paper ballots must be postmarked by Friday, May 22, 2026.

Online and phone voting will also close on May 22.

Election results will be certified after the June 8, 2026, Board meeting.

For more information on the PSRS/PEERS Board of Trustees, visit www.psr-peers.org/About-Us/Board.

Board Composition

The Board is made up of seven trustees:



1 elected PEERS member



3 elected PSRS members



3 trustees appointed by Missouri's governor

All trustees serve without compensation but are reimbursed for necessary expenses related to their Board service.

How Trustees Are Selected

Elected Trustees

Four trustees (one from PEERS and three from PSRS) are elected by the active and retired members of both Systems.

1. Elections are held every even-numbered year.
2. Two trustees are elected each cycle to serve four-year terms.

Appointed Trustees

The Governor of Missouri appoints three trustees.

1. At least one must be a retiree of either PSRS or PEERS.
2. Appointed trustees must reside in a Missouri school district covered by the Systems, but cannot be employees of those districts, state employees, or elected state officials.

PSRS/PEERS Named a “Best Place to Work in Money Management” for Third Year



For the third consecutive year, the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) has been named one of the “Best Places to Work in Money Management” by *Pensions & Investments* (P&I). The 2025 winners are featured in the magazine's December 8 issue.

The annual program, run by P&I and Workforce Research Group, recognizes

top employers in the money management industry. Rankings are based 80% on employee feedback and 20% on employer responses.

“It is an extraordinary honor to receive this prestigious award again this year,” said PSRS/PEERS Executive Director Dearld Snider. “Our staff, management, and Board of Trustees should be proud. Their commitment to teamwork, excellence, and service drives our strong workplace culture and member experience.”

PSRS/PEERS Board Chair Beth Knes added: “On behalf of the Board of Trustees, I congratulate the PSRS/PEERS staff. Their positive attitude and commitment to serving our members make this recognition well-deserved. We are proud of their continued excellence.”

Pensions & Investments is a leading global news source for the money management industry, serving executives of retirement plans, endowments, foundations, sovereign wealth funds, and investment management firms.

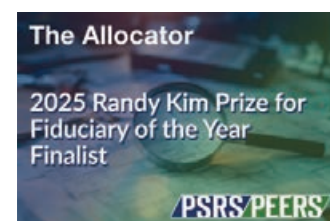
Impressive Work Gets Noticed

PSRS/PEERS team members have received several recognitions in 2025. Congratulations to these honorees!

PSRS/PEERS Board of Trustees



Finalist for the Randy Kim Prize for Fiduciary of the Year from *The Allocator*



Finalist for the Award for Leadership and Vision from *Institutional Investor*



Craig Husting

Craig Husting, Chief Investment Officer

Winner of an Industry Innovation Award from *Chief Investment Officer*



Brenna Noble

Brenna Noble, Portfolio Manager

2025 Allocator Rising Star from *Institutional Investor*

Class of 2025 NextGen from *Chief Investment Officer*



Anthony Vikhter

Anthony Vikhter, Investments Officer

NextGen Under 30 Missouri



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Have You Done These 3 Things?

Making the most of your PEERS membership doesn't have to be overwhelming. In fact, just a few small steps can make a big difference. Start with these three easy wins:

- 1 Register for your Web Member Services (WMS) account.**
Your WMS account puts your membership details at your fingertips. You can see cost-of-living adjustments, update your contact info, download helpful documents, and more — all in one place. If you haven't registered yet, visit www.psrs-peers.org and click *Member Login* to get started. Note: You must register within five years of retirement. After that, your account will be locked and you will need to call us to register. This helps protect your account from unauthorized access.
- 2 Review your tax withholding.**
Your monthly benefit is subject to federal and state income tax. If your financial situation has changed or if you were surprised by your tax bill last year, it's a good idea to review your withholding elections. You can view current elections and submit changes in your WMS account.
- 3 Use a personal email address.**
A personal email helps us stay in touch with you, even after you retire or change jobs. Make sure your personal email is listed in your WMS account so you never miss an important update.

Contact Us

VISIT

PO Box 268 | 3210 W. Truman Blvd.
Jefferson City, MO | 65102-0268

ONLINE

Email psrspeers@psrspeers.org

Web www.psrs-peers.org

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